

Mobile Home Rent Stabilization Program

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Mobile Home Rent Stabilization Program

This FAQ provides a general overview of the City's Mobile Home Rent Stabilization Program.

#1 Does the City of Ventura regulate mobile home park rent increases?

Yes, the amount of a rent increase in a mobile home park is a local control issue. The City of Ventura has adopted Mobile Home Rent Stabilization Ordinance Chapter 6.600 to "protect the mobile home owners' investment in their mobile homes, and to protect the owners from unreasonable rent increases, while at the same time recognizing the need of park owners to receive a fair return on their property and rental income sufficient to cover increases in the costs...of operation." (Section 6.600.010) The ordinance can be found on the City of Ventura's website at https://www.cityofventura.ca.gov/713/Mobile-Home-Rent-Review-Board.

#2 Are all mobile home spaces in the City of Ventura covered by rent stabilization?

No, not every mobile home space or mobile home park is covered by the City's rent stabilization ordinance. For example, certain exemptions are set forth in the ordinance and the California Mobilehome Residency Law (MRL). This list is not exhaustive:

Section 6.600.030.1: spaces rented for non-residential use are exempt.

Section 6.600.030.2: mobile home parks that were constructed after June 1, 1981 are exempt.

Section 6.600.030.3: parks managed or operated by the government are exempt.

Section 6.600.030.4: spaces rented for 20 days or less are exempt.

Section 6.600.030.5: tenancies for which any federal or state law prohibits rent regulations are exempt.

Section 6.600.030.6: mobile home parks with less than 15 spaces are exempt.

Section 6.600.030.7: mobile home parks with less than 15 mobile homes are exempt.

Section 6.600.030.8: tenancies that began prior to June 1, 1981 and are not month-to-month are exempt.

Section 6.600.030.9: mobile home parks which sell lots for factory-built or manufactured housing, or which provide condominium ownership of such lots, are exempt, even if one or more homes in the development are rented or leased out.

MRL §798.17: leases with a term longer than 12 months are exempt from city rent control.

MRL §798.21: spaces that are used by tenants for second homes or vacation homes are exempt, so long as the space is not sublet.

MRL §798.45: spaces that were first rented after January 1, 1990 are exempt permanently. "Spaces that were first rented after January 1, 1990" means any new space created after January 1, 1990.

#3 What are the different types of rent increase applications allowed by the City Ordinance?

There are several different types of rent increases.

A) Automatic Consumer Price Index (CPI) Increase

This rent increase is permitted in the City's Ordinance under section 6.600.070.F and is an adjustment to the base rent. The base rent may be "adjusted by 100 percent of the percentage increase in the consumer price index...however, that such increase shall not exceed an amount equal to five percent of the current base rent in effect in that park ...". This type of increase does not require Board approval, but is reviewed and approved by the Rent Administrator.

A park owner may apply for this type of increase with or without an accompanying capital improvement increase.

B) Capital Improvement Increase

An increase in the rent due to capital improvements shall meet the requirements of ordinance section 6.600.070.G. The application does not require board approval and shall be approved at the City staff level "if it satisfies the definition of a capital improvement set forth in subsection 6.600.020.D of this chapter and any criteria for capital improvements adopted pursuant to IRS regulations, as such regulation may be modified by applicable rent review board guidelines."

The Mobile Home Rent Review Board has approved a reasonable rate of interest on capital improvement costs at the 5-year treasury interest rate plus 1%. Any approved capital improvement costs are not added to base rent, but are a special rent increase that "shall remain in effect only during the amortization period of the improvement."

Capital improvements generally do not require written consent from residents in the park. However, written consent of a majority of park spaces is required for new capital improvements that are more than \$10,000, unless the capital improvement is required by law.

A park owner may apply for this type of increase with or without an accompanying automatic CPI increase.

C) Allowable Rent Increase

An allowable rent increase, as per section 6.600.070.A-C, is a permanent adjustment to the base rent based on changes in operating expenses. The three components to be considered are housing services, capital improvements, and the remainder. In order to implement an allowable rent increase a mobile home park owner must file an application and submit a \$1,200 processing fee. After the filing, a hearing is scheduled to allow for the board to review the application for completeness, accuracy, and compliance with the ordinance. The balance of the deposited processing fee, if any, shall be refunded to the owner.

D) Discretionary Rent Increase

Section 6.600.080.C-D is a rent increase that is requested above that which is permitted through an allowable rent increase. The application must be submitted together with supporting documentation, including proof of service of notice of the proposed increase, and a \$1,200 deposit which shall be made to cover administrative costs of a formal public hearing.

#4 What are rent levels?

Mobile home park spaces are each assigned a numeric level. Each rent level has a maximum monthly rent rate as calculated by the Rent Administrator. When a mobile home is exempt from rent stabilization the rent level will be classified as rent level 999 (In the past, the rent level for exemptions was a different number depending on the park). When a mobile home space is no longer under an exemption and is once again under rent stabilization, a new rent level must be created for the mobile home space.

#5 What happens to a rent rate when a mobile home is sold?

The beginning rent rate for the new tenant shall be the ending rent rate of the former tenant of the mobile home.

#6 What is the starting and ending rent rate for a long-term lease (a lease for more than 12 months)?

When a long-term lease is created between a mobile home park owner and a mobile home resident, this lease may start and end at any agreed upon rate. The City does not have authority over the long-term lease or any rental adjustments during the term of the lease. These leases will be classified under rent level 999.

#7 What is the starting rent rate when a long-term lease expires or terminates and the new tenant's rent falls under rent stabilization?

A new rent level must be created under rent stabilization and the starting rent amount will equal the ending rent amount of the lease which terminated or expired, plus CPI, capital improvements, and/or other generally applicable increases.

#8 What qualifies as a non-residential use under the exemptions listed in the City's Ordinance section 6.600.030.1?

Spaces for non-residential use are exempt according to the Ordinance. Examples of non-residential use are spaces using a mobile home as an office or storage facility.

#9 Are mobile homes occupied by park managers or employees as a condition of their employment exempt from rent stabilization?

These mobile homes may be exempt from rent stabilization depending on the ownership:

- o If the mobile home park owner owns the mobile home, he can lease the mobile home at any agreed upon rate. The underlying space rent (which no one is paying at the time) is still subject to the City's ordinance.
- o If the employee owns the mobile home, he is subject to rent stabilization unless another exemption applies.

#10 When a park owner has been charging a resident less than the maximum rent amount authorized under rent stabilization, may the park owner choose, at any time, to begin charging the maximum rent amount allowed?

Yes, the City only determines the maximum allowable space rent. The actual amount charged to tenants is determined by park management. So long as the maximum allowed space rent is not exceeded, the park owner may discount rent or remove discounts from the rent and is still considered to be in compliance with the City's Ordinance. The state law 90-day notice requirement still applies for any rent increase. MRL § 798.30.

#11 Does the City of Ventura regulate issues other than rent increases at mobile home parks?

No, the City's Mobile Home Rent Review Board and staff do not have authority to address anything other than mobile home park rent stabilization issues as defined by the Ordinance. Please see Frequently Asked Questions #3 for the various types of rent increase applications included in the Ordinance.

#12 If the City of Ventura does not regulate issues outside of rent increases at mobile home parks, which agency does?

Health and Safety Concerns

The California Department of Housing and Community Development (HCD) has jurisdiction to inspect mobile home parks to assure that a reasonable level of health and safety is maintained in those parks pursuant to California Code of Regulations, Title 25, Division 1, Chapter 2. For more information you may refer to the HCD website at http://www.hcd.ca.gov/.

If a resident believes that a park owner is non-compliant in regard to sewer, water, and electrical systems in the mobile home park, he/she may <u>file a complaint</u> with the HCD.

Landlord-Tenant Disputes for Mobile Home Park Residents

The state of California's Mobilehome Residency Law serves as the landlord-tenant law for mobile home park residents and mobile home park owners. The MRL protects basic residency rights of mobile home owners and provides regulations on topics such as rental agreements, eviction protection, park utilities, security deposits, park maintenance, the sale of mobile homes, parking restrictions, and pass-through fees.

The most current version of the MRL can be viewed at http://www.hcd.ca.gov/manufactured-mobile-home/mobile-home-parks/laws-and-regulations.shtml.

Enforcement of the Mobilehome Residency Law

The state does not have the authority or responsibility to enforce the MRL and thus the MRL is enforced through the court system. Disputing parties who believe their rights have been violated must enforce the MRL against one another by bringing their case to a judge, usually in the venue of small claims court.

#13 What other resources are available for residents and owners of mobile home parks?

State Mobilehome Ombudsman

The Mobilehome Ombudsman receives and processes complaints from the public and from public officials related to living in manufactured homes and mobile homes and will assist in resolving complaints or will forward to the state or local authority having jurisdiction for its resolution.

Contact the Mobilehome Ombudsman at (800) 952-5275 or online http://www.hcd.ca.gov/manufactured-mobile-home-ombudsman/index.shtml.

Housing Rights Center

The Housing Rights Center provides housing counseling, discrimination issues, tenant rights, and tenant/landlord counseling.

Contact the Housing Rights Center at (800) 477-5977 or at www.housingrightscenter.org.

County of Ventura Self-Help Legal Access Center

County of Ventura Self-Help Legal Access Center provides self-help resources for citizens on legal and court matters.

Contact (805) 654-3962 or at www.ventura.courts.ca.gov/shlac.html.

Senior Housing Questions

Contact the U.S. Department of Housing and Urban Development (HUD) for questions related to senior housing at a mobile home park.

Contact HUD at (800) 333-4636 or www.hud.gov.

Golden State Manufactured-Home Owners League (GSMOL) is a statewide non-profit organization that supports manufactured-home owners (residents).

Contact GSMOL at www.gsmol.org.

Western Manufactured-Housing Community Association (WMA) is a non-profit organization established for the exclusive purpose of promoting and protecting the interest of owners, operators, and developers of manufactured-home communities in California.

Contact WMA at (916) 448-7002 or www.wma.org.

California Public Utilities Commission (PUC) regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies. The PUC serves the public interest by protecting consumers and ensuring the provision of safe, reliable utility service and infrastructure at reasonable rates, with a commitment to environmental enhancement and a healthy California economy.

Contact PUC at (800) 848-5580 or www.cpuc.ca.gov.

Greylaw of Ventura County, Inc. offers free legal advice to seniors in Ventura County.

Contact Greylaw of VC at (805) 658-2266 or www.greylaw.us.